

Message Text

CONFIDENTIAL

PAGE 01 JIDDA 05231 241042Z

20

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 IO-10 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 DHA-02 ORM-01 AID-05 SAB-01 /087 W

----- 049256

R 240845Z JUL 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 1942

INFO AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMCONSUL DHAHRAN

AMCONSUL JERUSALEM

AMEMBASSY LONDON

AMEMBASSY TEL AVIV

C O N F I D E N T I A L JIDDA 5231

E.O. 11652: GDS

TAGS: EAID, SA, UN

SUBJECT: THE SAG CONTRIBUTION TO UNRWA: HOW IT HAPPENED

SUMMARY: SAG HAS DECIDED TO MAKE A BREAK WITH THE PAST AND CONTRIBUTE HEAVILY TO UNRWA DEFICIT PRIMARILY BECAUSE IT BECAME CONVINCED FAILURE TO DO SO WOULD SEE ISRAEL PICK UP SHORT-FALL IN EDUCATIONAL AND SOCIAL WELFARE SUPPORT OF REFUGEES. IT WAS PURELY POLITICAL DECISION URGED BY ARAFAT. END SUMMARY.

1. UN SOURCE HAS GIVEN US INSIGHT INTO ARGUMENTS USED TO PERSUADE SAG TO REVERSE QUARTER-CENTURY OLD POLICY OF LEAVING TO U.S. AND OTHER POWERS, WHO "CREATED" ISRAEL, TASK FOR SUPPROTING REFUGEES. SAG \$10 MILLION CONTRIBUTION TO THE ORGANIZATION WAS MADE AFTER:

A. TWO VISITS BY UNRWA COMMISSIONER GENERAL RENNIE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JIDDA 05231 241042Z

B. A VISIT BY ARAFAT WHO ARGUED THE NECESSITY OF KEEPING UNRWA FULLY FUNCTIONAL AT THIS CRITICAL MOMENT.

C. ARGUMENTS MADE TO MINISTER FINANCE ABA AL KHAYL THAT UNRWA HAD BECOME, IN EFFECT, THE FIRST "MINISTRY" OF NEW GOVERNMENT OF PALESTINE, THE PLO, AND SHOULD BE CONSIDERED THE MINISTRY OF EDUCATION AND SOCIAL AFFAIRS OF A SISTER ARAB STATE.

2. ALTHOUGH PRINCE FAHD HAD AGREED TO INCREASE THE SAG CONTRIBUTION TO UNRWA, HE NEVER PLEDGED THE LEVEL OF EFFORT TO MAKE UP ALL OR PART OF THE \$16 MILLION SHORT-FALL MANY HAD HOPED SAG WOULD ABSORB AT LEAST ON A ONE-TIME BASIS. HE REFERRED BOTH RENNIE AND ARAFAT TO HIS MINISTER OF STATE FOR FINANCE, MOHAMMED ABA AL KHAYL WHO IN HIS USUAL MANNER ASKED BLUNT QUESTIONS OF THE UN RESIDENT REPRESENTATIVE AS TO WHY SAG SHOULD, EVEN DURING A CRISIS, REVERSE ITS LONG STANDING POLITICAL POLICY. UN REP ABDUL LATIF SUCCAR TOLD HIM THAT HE COULD NOT RECOMMEND WHAT LEVEL OF SPECIAL CONTRIBUTION SHOULD BE ADOPTED, BUT WANTED TO POINT OUT CONSEQUENCES WERE THERE A LAG IN FINDING MORE MONEY IMMEDIATELY, I.E., THE UNRWA WOULD HAVE TO LEAVE THE TASK TO OTHERS AND ONE OF THOSE WOULD BE ISRAEL. THE IMPLICATIONS WERE CLEAR TO ABA AL-KHAYL WHO WITHIN TWO DAYS RESPONDED THAT THE SAG WOULD GIVE TEN MILLION DOLLARS, AN AMOUNT UNBELIEVABLE BETTER THAN MOST ME HANDS HAD EXPECTED. WHETHER SAG WILL CONTINUE HEAVY UNRWA CONTRIBUTIONS IS UNPROVEN.

COMMENT: DISCUSSION WITHIN SAG ABOUT THE ECONOMIC VIABILITY OF A TRUNCATED PALESTINIAN STATE MAY HAVE RESULTED IN THIS SIGNIFICANT DECISION TO IGNORE LONG-STANDING POLICY AND MAKE THE CONTRIBUTION. IT SEEMS LIKELY THAT, HANDLED CORRECTLY, APPEALS FOR REGULAR SUPPORT BY SAG WILL BE ANSWERED.
HORAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REFUGEE RELIEF, FINANCIAL CONTRIBUTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MartinML
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JIDDA05231
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750256-0928
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750726/aaaaaxfr.tel
Line Count: 97
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 30 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 JUN 2003 by BoyleJA>; APPROVED <05 NOV 2003 by MartinML>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: THE SAG CONTRIBUTION TO UNRWA: HOW IT HAPPENED SUMMARY: SAG HAS DECIDED TO MAKE A BREAK WITH THE PAST
TAGS: EAID, SA, UN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006